



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 5, 1998

H.R. 3694 **Intelligence Authorization Act for Fiscal Year 1999**

*As ordered reported by the House Permanent Select Committee on Intelligence
on April 29, 1998*

SUMMARY

H.R. 3694 would authorize appropriations for fiscal year 1999 for intelligence activities of the United States government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System (CIARDS).

This estimate addresses only the unclassified portion of the bill. On that limited basis, CBO estimates that enacting H.R. 3694 would result in additional spending of \$139 million over the 1999-2003 period, assuming appropriation of the authorized amounts. CBO believes that section 401 of the bill, which would extend the authority of the CIA to offer incentive payments to employees who voluntarily retire or resign, would increase direct spending by \$1 million or more in at least one year during the 2000-2003 period. However, CBO cannot give a precise estimate of the increase in spending because data to support a cost estimate are classified. Because the bill would raise direct spending, pay-as-you-go procedures would apply.

The Unfunded Mandates Reform Act of 1995 (UMRA) excludes from application of the act legislative provisions that are necessary for the national security. CBO has determined that all of the provisions of this bill either fit within that exclusion or do not contain intergovernmental or private-sector mandates as defined by UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of the unclassified portions of H.R. 3694 is shown in the following table. CBO is unable to obtain the necessary information to estimate the costs for the entire bill because parts are classified at a level above clearances held by CBO employees. The costs of this legislation fall within budget function 050 (national defense).

The bill would authorize appropriations of \$139 million for the Community Management Account. In addition, the bill would authorize \$202 million for CIARDS to cover retirement costs attributable to military service and various unfunded liabilities. The payment to CIARDS is considered mandatory, and the authorization under this bill would be the same as assumed in the CBO baseline.

CBO believes that section 401 of the bill would increase direct spending by \$1 million or more in at least one year during the 2000-2003 period. Section 401 would extend the authority of the CIA to offer incentive payments to employees who voluntarily retire or resign. Under current law this authority expires on September 30, 1999. Section 401 would extend this authority starting in fiscal year 2000 until September 30, 2001. This extension would induce some employees to retire earlier than under current law, thereby increasing federal outlays for retirement benefits. CBO cannot give a precise estimate of the increase in spending because data to support a cost estimate are classified.

	By Fiscal Year, in Millions of Dollars					
	1998	1999	2000	2001	2002	2003
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for the Community Management Account						
Budget Authority ^a	94	0	0	0	0	0
Estimated Outlays	104	36	7	2	0	0
Proposed Changes						
Authorization Level	0	139	0	0	0	0
Estimated Outlays	0	86	42	8	3	0
Spending Under H.R. 3694 for the Community Management Account						
Authorization Level ^a	94	139	0	0	0	0
Estimated Outlays	104	122	49	10	3	0
CHANGES IN DIRECT SPENDING						
Estimated Budget Authority	0	0	b	b	b	b
Estimated Outlays	0	0	b	b	b	b

a. The 1998 level is the amount appropriated for that year.

b. CBO believes that H.R. 3694 would increase direct spending by \$1 million or more in at least one year over the 2000-2003 period. However, CBO cannot give a precise estimate because data to support a cost estimate are classified.

For purposes of this estimate, CBO assumes that H.R. 3694 will be enacted by October 1, 1998, and that the full amounts authorized will be appropriated for fiscal year 1999. Outlays are estimated according to historical spending patterns for intelligence programs.

PAY-AS-YOU-GO CONSIDERATIONS

Section 401 of the bill would affect direct spending, and therefore the bill would be subject to pay-as-you-go procedures. The estimated pay-as-you-go impact would be \$1 million or more in at least one year over the 2000-2003 period.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

The Unfunded Mandates Reform Act of 1995 (UMRA) excludes from application of the act legislative provisions that are necessary for the national security. CBO has determined that all of the provisions of this bill either fit within that exclusion or do not contain intergovernmental or private-sector mandates as defined by UMRA.

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